



MARKETING PLAN

Klubi Tampere

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ABSTRACT

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The aim of this thesis was to create a marketing plan for Klubi Tampere, which provides restaurant services and products and live music as a service and a product. The main aim of the marketing plan was to clarify the image of the company and to reach a wider array of customers not just in Tampere but all over Finland.

The thesis describes the basic issues of marketing management and the contents of a marketing plan. The concepts of the analyses utilized are also explained in the thesis.

All the actions described in the marketing plan were planned for the current situation of the company keeping in mind the tough and constantly evolving competition of the restaurant business. The aspects of social media and online networking were also taken into account.

The marketing plan can be found in the appendix of this thesis and it is not published due to privacy reasons.

Key words: marketing, marketing plan, services marketing, marketing mix

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1 INTRODUCTION

The aim of this thesis was to create a marketing plan for Klubi Tampere. Klubi operates in Tampere, providing the customers with restaurant services and products as well as live music as a service and a product. The company wished for a marketing plan in order to clarify its image and also to reach a wider array of customers not only in Tampere but also all over Finland.

The main purpose of this bachelor's thesis was to describe what marketing means for lucrative companies. An additional purpose was to emphasise how important the selection of appropriate marketing tools is when attempting to appeal to both new and existing customers as well as how important a marketing plan is when a company is attempting to clarify its image.

The objective was to draw up a practical marketing plan from which the company would benefit and perhaps utilise at least some suggestions. Understanding the situation of the company required different analysis methods which could be used in order to propose efficient tools for the company to be utilised in the future.

2 KLUBI TAMPERE

2.1 Company presentation

Klubi Tampere is a restaurant operating in live music and other fields of culture. The restaurant located in central Tampere was founded in 2001.

2.2 Personnel

The company employs several people and also uses rental work company employees whenever needed. The actual bar employs four persons who are on a monthly salary and four persons who get paid by the hour. The office employs four persons who are on a monthly salary. There are eight technicians who get paid by performance and two regular DJ's also getting paid by performance. In addition, there are approximately ten DJ's who invoice the company for their services. There is one bouncer employed by Klubi who is paid by the hour.

2.3 Services

The main services Klubi offers are restaurant services and products as well as live music as a product and a service. The facilities can also be rented for private events and activities.

3 MARKETING MANAGEMENT

3.1 Marketing concepts and theories

3.1.1 Marketing

The two often and most widely used, however also somewhat criticised, definitions of marketing are the following: “Marketing is the management process which identifies, anticipates, and supplies customer requirements efficiently and profitably.” and “Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange and satisfy individual and organisational objectives.” The first quote comes from UK Chartered Institute of Marketing and the second one from American Marketing Association in 2004. As a definition, marketing is a term which depicts the activities occurring at the interface between an organization and its customers. The actual term is derived from the original concept of a marketplace, which provides a setting for buyers and sellers to come together for the purpose of carrying out transactions and/or exchanges which benefit both parties. The objective of marketing as a discipline is to make sure the customers will conduct and will continue to conduct their exchange with the particular marketer’s organisation instead of any other provider of the same service or product. To succeed in this in an effective manner, the marketers must make sure the customers are provided with what they want to buy and do this at prices which represent value for money. (Blythe 2012, 4.)

Marketing is a means for dealing with customers, more so than any other business function. According to Kotler, Armstrong, Harris and Piercy the simplest definition is: “Marketing is managing profitable customer relationships.” Marketing has a two-fold goal which includes attracting new customers with promises of superior value and keeping and growing the current customers by delivering satisfaction. Many people might think that marketing is only selling and advertising but these two tools are only the tip of the marketing iceberg. The aim of marketing is to satisfy customer needs by developing products which provide superior customer value and also by pricing, distributing and promoting these products accordingly. Marketing guru Peter Drucker has said: “The

aim of marketing is to make selling unnecessary”. Looking at marketing from this point of view makes sense, since selling and advertising are merely parts of a set of marketing tools that can be called a marketing mix. It includes several tools that work together in order to satisfy customer needs and build customer relationships. According to Principles of Marketing a proficient definition for marketing describes marketing as a process through which companies create value for their customers and build durable customer relationships to capture value from these customers in return. (Kotler & Armstrong & Harris & Piercy 2013, 4-5.)

3.1.2 Services marketing

The difference between services marketing and the marketing of physical goods seems to be negligible to a lot of marketers. There are a few reasons for this. Often a product can be defined as a bundle of benefits where the benefit of being cheered up by e.g. going to see a good movie (a service) or buying a new shirt (a physical product) have the same end result. It can also be difficult to define a product when a lot of physical products contain a service aspect and vice versa. Therefore most products lie somewhere in between along a continuum purely physical and purely service products. It has also been argued that all products actually provide a service e.g. a customer who buys a drill is neither in fact buying a drill, nor buying holes but is actually buying a hole-drilling service which will be co-created by the interaction between the customer and the physical product. This service-dominant logic has received increasing interest lately and it could be in the way of becoming the dominant view of how marketing works.

When it comes to successful brands in the service industries, they all have some characteristics in common. These characteristics include:

- a holistic, consistent and integrated approach to branding
- focus on excellent customer service
- challenging the norm i.e. doing things differently from competitors
- responsiveness to change
- an understanding on how branding works i.e. a high level of brand literacy
- synergy between the brand and the corporate culture

There are four factors linking to brand strength in service industries: investment in marketing communications, contributing to the wider community, improving communication internally and improving service quality. (Blythe 2012, 260.)

There are also factors which affect staff working in the industries as well as affecting consumers and other stakeholders. “Factors distinguishing services from physical products” (Blythe 2012, 261) are presented in figure 1.

| Factor | Explanation and examples |
|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Services are intangible | An insurance policy is more than the paper it is written on; the key benefit (peace of mind) cannot be touched. |
| Production and consumption often occur at virtually the same time | A stage play is acted out at the same time as the consumer enjoys the performance. Of course, the consumer also enjoys remembering the play and discussing it with friends for some time afterwards, so consumption does continue. |
| Services are perishable | An airline seat is extremely perishable; once the aeroplane takes off, the seat cannot be sold. Services cannot be produced in advance and stockpiled. |
| Services cannot be tried out before buying | It is not usually possible to try out a haircut before agreeing to have it done, nor will restaurants allow customers to eat the meal before committing to ordering and paying for it. |
| Services are variable, even from the same supplier | Sometimes the chef has a bad day or the waiter is in a bad mood; on the other hand, sometimes the hairdresser has a flash of inspiration that transforms the client's appearance. |

FIGURE 1: Factors distinguishing services from physical products (Blythe 2012, 261).

At one level, there is a universal application to the theory of marketing; there are the same underlying concerns and principles that apply regardless of the nature of the business. That being said, the nature of a particular service business can dictate an urgency to place a greater emphasis on certain marketing elements and these could lead to different marketing approaches. When it comes to marketing, it can also be described as being a process matching the supplier's capabilities and the customer's wants. The marketing mix is effectively the so-called “flexible coupling” between the supplier of the particular service and the customer, facilitating the matching process. (McDonald & Frow & Payne 2011, 23,36.)

3.1.3 Marketing mix

Marketing mix is the set of marketing tools a company uses in implementing its marketing strategy. There are four major tactical marketing tools in the marketing mix which are often called the four Ps of marketing. The marketing tools known as the four Ps are product, price, place and promotion. (Kotler & Armstrong & Harris & Piercy 2013, 12.)

The four Ps can be explained as follows (Blythe 2012, 11-12.):

- **Product.** The product is something that should fit the target customers' expectations about the purpose of the product. The product is something that needs to work as intended and it should be something the customers expected to get.
- **Price.** The product should always represent good value for money or at least it should be considered to represent such value. The product does not necessarily need to be the cheapest available since customers are often prepared to pay slightly more for things that work well for them.
- **Place.** The aforementioned product should be available somewhere the target customers find it easiest to shop. Differing between products this could be anything from a high street shop to mail ordering from a catalogue or even a door-step delivery, all according to what the target customers prefer.
- **Promotion.** All communication tools such as advertising, personal selling, public relations and sales promotion should be used to bring across the message of the organisation in a way that fits the specific group of customers who would want to hear, see and touch, be it informative or emotionally attractive.

Due to the fact that the four Ps suit best for manufacturing and marketing of physical products these tools aren't necessarily most suitable for the service industry. Because of this, a framework for 7 Ps was introduced in 1981 by Booms and Bitner. This framework includes the additional three factors: people, process and physical evidence.

The additional three Ps can be explained as follows (Blythe 2012, 12.):

- People. Practically all services rely on people to perform them, often having to deal directly with the customer. As an example, in a restaurant the waiters are a part of the product the customer is buying when providing their own, often fairly crucial, part in the dining experience.
- Process. When it comes to services, they are most often carried out with the customer actually present; making the process by which the service is being delivered to be a part of what the customer is essentially paying for. For instance, customers are most likely aware of the difference in service between a fast-food outlet and an upscale restaurant, therefore knowing what to expect and what they are paying for.
- Physical evidence. Some physical evidence is present in nearly all services. When it comes to a restaurant, the meal is the physical thing but the bulk of the actual bill is used to provide the intangible elements of the service, for example the atmosphere, the waiters and even the bussers. In a similar way, a hair-dresser's provides the customer with a completed hairdo and an insurance company includes a glossy documentation for the policies issued in the service. (Blythe 2012, 12.)

Some concerns have risen over the fact that the concept of the various Ps takes merely the sellers view of the market excluding the buyer's view. Due to these concerns Robert Lauterborn created an updated classification system of the four Ps in 1993 and named it the four Cs. In this model the focus is shifted from the producer to the customer. This has been proved to be a better blueprint to follow for small businesses who aim their marketing to a niche audience. In this model the four Cs are known as customer solution (or merely consumer), customer cost, convenience and communication. (Kotler & Armstrong & Harris & Piercy 2013, 54; www.curvecommunications.com.)

The four Cs can be explained as follows (www.curvecommunications.com.):

- Customer solution (or consumer). In this model customer solution replaces the product in the model of four Ps, making the main goal satisfying the customer's needs instead of attempting to pre-define the customer into a product. In this way the customer and the business can be considered to converse in a manner of

speaking and this conversation between the customer and the business can result in creating a custom product satisfying the customer's needs.

- **Customer cost.** Here the price of the four Ps is replaced by cost seeing as the price is merely a single factor when acquiring customers. When it comes to cost, it reflects the cost of using the actual product, this can include inconveniences such as having to change computer software to another. The cost can also include customer ethics, e.g. choosing between non-organic and organic eggs (often organic eggs cost more than non-organic).
- **Convenience.** The place of the four Ps is replaced by convenience which influences the perceived value of the product. In this model the convenience can be looked at as geographical or through search engines. When purchasing a product, the ease of buying is often crucial when deciding which business acquires customers.
- **Communication.** Here the promotion of the four Ps is replaced by communication. In the four Ps promotion can be viewed as vertical, involving only one-way communication. In the four Cs communication sees the promotional process as lateral and involving conversation between the business and the customer, since communication as an action is equally as much about talking as it is about listening.

This model enables the customers seeing themselves as buying value or solutions to their problems when in the four Ps it is only the marketers who see themselves selling the product. Also, the price is not the only interesting thing for the customer, they are also interested in the actual, combined costs of obtaining, using and disposing of the product they buy. The customers also want their product or service as conveniently as it is possible and they definitely are looking for two-way communication. When it comes to marketing, it could be a good idea to first think through the four Cs and then start building the four Ps on that platform. (Kotler & Armstrong & Harris & Piercy 2013, 54.)

3.1.4 Customer relationship management

Customer relationship management could be considered as the most important concept when it comes to modern marketing. Some marketers define customer relationship

management in a rather narrow way by calling it a customer data management activity. When customer relationship management is defined in this manner it involves managing detailed information about individual customers and also managing so-called customer “touch points” in detail so as to maximise customer loyalty. There is also a broader meaning given to customer relationships management by most marketers. This broader sense defines customer relationship management as the comprehensive process of building and maintaining cost-effective customer relationships by delivering outstanding customer value and satisfaction. This broader definition deals with all aspects of acquiring customers as well as keeping and growing them. (Kotler & Armstrong & Harris & Piercy 2013, 13.)

The term customer relationship management is fairly new, being first used in the 1990's. The term can be divided into four categories according to perspective. These four major perspectives are: strategic, operational, analytical and collaborative. The strategic perspective can be seen as a core customer-centric approach, it aims at winning and keeping profitable customers. The operational perspective has its focus on the automation of the customer-facing processes. These processes include customer service, marketing and selling. The analytical perspective in customer relationship management focuses on the intelligent mining of customer-related data for either strategic or tactical purposes. The collaborative perspective focuses on applying technology across organizational boundaries, still having a view to optimizing the value of company partner and customer. All in all, customer relationship management can be seen as the core business strategy integrating internal functions and processes, external networks included, in order to create and deliver value to targeted customers at a profit. Customer relationship management is based on customer related data which is of high quality and finally it is enabled by information technology. (Buttle 2009, 4, 15.)

3.1.5 Marketing plan

A marketing plan is the outcome of the structured process of marketing planning, which is used to determine how to provide value to customers, the organization in question and also the key stakeholders. Marketing planning is done by researching and analysing the current situation, markets and customers included; developing and documenting the objectives, strategies and programs of marketing; and also - in order to achieve the ob-

jectives - implementing, evaluating and controlling marketing activities. The marketing plan is the concrete document, which covers a particular period and summarises what the marketer has learned about the marketplace in question, what will be accomplished through marketing and how the marketing will be accomplished. (Wood 2008, 4.)

Marketing plans vary in contents, format and length depending on the organization and the purpose of the plan. A marketing plan usually covers the length of one year period but this can also vary. The main sections usually included in marketing plans are the following:

- Executive summary. Here the plan's highlights and objectives are reviewed and the marketing effort is linked to higher-level strategies and goals. This part is usually the last part to be written.
- Current marketing situation. In this part the changes and trends in the environment affecting the organization are analyzed, the effects concerning the company's marketing and stakeholders are also included. These analyses include the internal and external situation, competitive situation, market situation and the SWOT analysis.
- Target market, customer analysis, positioning. Here the segmentation, targeting and positioning decisions are explained in detail. This part also intends to discuss the segments, which are intended to be targeted. It also includes an overview of the needs, wants, behaviours, attitudes, loyalty and purchasing patterns of the customers.
- Marketing strategy. The summary of the overall strategy for achieving objectives, communicating, creating and delivering value to the target market/markets.
- Marketing programs. This part explains the programs supporting the marketing strategy. It includes specific activities, responsibilities and schedules for the marketing mix, service and internal marketing.

There are differences concerning how these sections are called but usually the contents are similar in all marketing plans. (Wood 2008, 5-6.)

3.2 Research questions, process and methods

Since the aim of this bachelor's thesis was to create a realistic marketing plan for Klubi Tampere, the research questions could be derived from a marketing plan. All in all, when it comes to this thesis, the simplest research question was: What is included in a marketing plan? Since the company requested for a marketing plan in order to clarify its image, to strengthen the visibility and the status of the company in Tampere and rest of Finland and also to reach a wider array of customers not only in Tampere but also all over Finland, drawing up the marketing plan as well as leaving out some parts of the marketing plan, such as budgeting, was possible. Therefore it was possible to ask the following research questions: How to improve the visibility of the company in a larger area? and How to improve the image of the company?

The thesis consists of six chapters. Chapter one (1) introduces the thesis and explains briefly what it entails. In chapter two (2) the company in question is introduced shortly. Chapter three (3) delves into marketing management, explaining the framework of the thesis. In chapter four (4) the different analyses used for the marketing plan are explained. Chapter five (5) includes the actual marketing plan. This marketing plan can be found in the appendix and will not be published as a part of the thesis in order to protect the privacy of the company. The thesis ends with chapter six (6) including a short conclusion.

When drafting a marketing plan, a qualitative approach is the most suitable approach for the purpose and this was the approach chosen for this marketing plan as well. The methods used were interviews with the managers and a customer satisfaction survey, which was utilised for the marketing plan.

4 ANALYSES

4.1 Situation analysis

When it comes to this particular marketing plan, the template was taken from the website QuickMBA (www.quickmba.com). The website gives a clear example on how to go about building a marketing plan with explanations on what is required in specific parts. In QuickMBA the situation analysis is divided in six parts. In this instance the business environment has been separated from the other parts since it includes the PEST and SWOT analyses which require more explaining than the other analyses.

4.1.1 Company analysis

In this marketing plan the company analysis includes the goals, focus, strengths and weaknesses of the company. Even though strengths and weaknesses are also analysed in the SWOT analysis, they are included in the company analysis since they are from the point of view of the company. (www.quickmba.com.)

4.1.2 Customer analysis

The customer analysis in this marketing plan analyses the number and the type of customers the company has. It also looks into value drivers and the decision process of the customer as well as it analyses the concentration of customer base for products in particular. (www.quickmba.com.)

4.1.3 Competitor analysis

The competitor analysis looks especially into the strengths and weaknesses of the competitors. Both market shares and market position are mentioned in the QuickMBA template. (www.quickmba.com.)

4.1.4 Collaborators

The analysis on collaborators merely lists the subsidiaries, joint ventures and distributors the company may have. There is no need to analyse the collaborators' in a similar way to the competitors. It should merely state which collaborators the company might have. (www.quickmba.com.)

4.2 Business environment

The business environment analysis includes the macro-environmental PEST analysis and the important SWOT analysis.

4.2.1 PEST analysis

PEST analysis is composed of four different parts. These PEST factors can be classified as opportunities and threats in a SWOT analysis when combined with external microenvironmental factors. In this marketing plan, the PEST analysis concerns the business environment in Finland and Tampere specifically.

In the abbreviation PEST the P stands for political and legal environment the company functions in, e.g. employment laws, political stability and tax policy. The E stands for economic environment, which includes economic growth and other matters, which affect the potential customers' purchasing power. The S in PEST means the social and cultural environment, parts of which are e.g. population growth rate, age distribution and career attitudes. Finally, the T is for technological environment which includes e.g. technology incentives and R&D activity. (www.quickmba.com.)

4.2.2 SWOT analysis

A SWOT analysis is a tool for examining the internal state of the health of the company and the external environment, which the company operates in. The abbreviation SWOT stands for Strengths, Weaknesses, Opportunities and Threats. Strengths and weaknesses are the factors, which concern the actual company being analysed; opportunities and threats are the factors, which arise from the external environment. The SWOT analysis can also be divided into positive and negative factors where strengths and opportunities are seen as positive and weaknesses and threats are seen as negative and as things that require improvement. (Blythe 2012, 24-25.)

When it comes to the SWOT analysis, a company should use it to analyse its markets and the marketing environment it operates in to find attractive opportunities but also to identify environmental threats. The company should also analyse its strengths and weaknesses in addition to analysing the current and possible marketing actions in order to determine which opportunities are the best ones to pursue. The main goal is to get the company's strengths and attractive opportunities in the business environment to match while at the same time eliminating or overcoming the particular weaknesses of the company and minimising threats as well as possible. (Kotler & Armstrong & Lloyd & Piercy 2013, 54.)

5 MARKETING PLAN

A marketing plan is a document which summarizes marketplace knowledge and the strategies and steps which need to be taken in order to achieve the objectives set by marketing managers for a particular period. The marketing plan for Klubi Tampere can be found in the appendices. The plan has been drawn up for Klubi's managers in order to assist them in their marketing decision-making process. The budget is not included in the marketing plan due to an agreement with the management of Klubi. The marketing plan will not be published as a part of the thesis in order to protect the privacy of the company.

6 CONCLUSIONS

This bachelor's thesis contains the marketing plan for Klubi Tampere, the background information and approaches in creating it. The marketing plan has been drawn up based on the request of the management.

The main aims of the marketing plan were to reach a wider audience in Tampere and all over Finland but the management also wished to clarify the image of the company. The plan does not include the budget suggestions due to a mutual agreement between the author and the company. Therefore the suggested actions relate mostly to the utilisation of social media in its different forms. At times getting information from the company was quite challenging, thus the marketing plan is not as comprehensive as the author originally planned it to be.

All the actions that were described in the marketing plan were planned for the current situation of the company. In the restaurant business the competition is tough and constantly evolving, therefore different actions are always required in order to be competitive in the particular market. Social media and online networking are developing in an especially fast pace and this requires the companies to evolve along with them.

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APPENDICES

Appendix 1. The marketing plan